

REMARKS

A. The Board Should Hold That the Examiner, When Requested, Cannot Refuse to Disclose an Explicit Construction for a Claim Term that is Clearly in Dispute

There is no question that the Examiner has refused to construe the claim term “varying the value”. The Examiner argues in the Answer that the claim term “varying the value” has “been repeatedly construed as that which is disclosed by Deaton.” Ex. Ans. p. 10. That is not a claim construction.

This issue is a fundamental issue in *ex parte* prosecution before the United States Patent and Trademark Office. As noted in Applicants’ opening brief, it is not believed that this Board, nor the Federal Circuit, has addressed this issue. It is clear that the Patent Office has the burden of proving anticipation and obviousness under Sections 102 and 103. It is further without doubt that the Examiner must construe patent claim terms. This appeal presents the issue of what mechanism an Examiner should use to construe a claim term that is clearly in dispute.

In this case, the Applicants do not know the Examiner’s claim construction. All they know is that the Examiner construed the claim term “varying the value” as “that which is disclosed by Deaton.” Applicants have no way of traversing the Examiner’s claim construction. In short, the Applicants do not know what the claim construction is, nor the basis for the claim construction.

It seems that the Board, in reviewing an examiner’s decision, may elect to provide an explicit construction of a claim term. However, at this stage in the prosecution an applicant has little opportunity to efficiently contest the construction and its basis. Furthermore, Applicants should not have to appeal an examiner’s decision in order to determine the PTO’s position on claim construction. That is inefficient, costly, time consuming, and for many individuals and

small businesses means that they are, as a practical matter, precluded from contesting the PTO's claim construction and the basis for the construction.

This case presents the Board with an opportunity to hold that an applicant is entitled to an explicit claim construction when a claim term is clearly in dispute, and when the Applicant specifically requests an explicit construction.

B. Response to The Examiner's Arguments

The claimed invention requires "varying the value of at least some of the media such that the value of the media varies according to selected conditions." The phrase "varying the value" should be given its ordinary meaning. According to Webster's Third New International Dictionary, "vary" means to "to bring about differences in." Thus, as claimed, "varying the value...such that the value of the media varies according to selected conditions," means bringing about a change in the value of the media according to certain conditions. However, the Examiner continues to refuse to adopt this construction or present another construction for the phrase "varying the value." Instead, the Examiner merely states that the phrase "has been repeatedly construed as that which is disclosed by Deaton." This does not constitute a proper construction of the phrase. Rather, the Examiner must set forth an explicit construction of the phrase based on the plain and ordinary meaning of the claim terms as consistent with Applicant's specification.

Even though the Examiner never engaged in a claim construction analysis for the disputed claim terms, the Examiner continues to maintain that Deaton discloses the "varying the value" limitation of Applicant's invention. The Examiner states that, "Deaton discloses issuing coupons with an initial varied value, and then further varying that value based upon incentives that are increased and decreased based on customer performance." Examiner's Answer, p. 11, citing Deaton, col. 68, ll. 35-50. This section is irrelevant to Applicant's claimed "varying the value" limitation. This portion of Deaton merely states that a store may issue three different sets

of coupons, each with a different value. Deaton's coupons, however, do not change in value. Instead, each of Deaton's coupons remains a fixed value.

Further, the claimed invention requires "assigning an inactive status to the media such that while assuming the inactive status the goods or services associated with the medium may not be redeemed." Nothing in Deaton supports the Examiner's position that Deaton discloses this claim limitation.

As shown above, the Examiner interprets Applicant's claim term "media" to correspond to Deaton's coupons. Deaton's media, i.e., coupons, are issued to a customer at a point of sale based on the customer's past purchasing history. Nothing in Deaton suggests that the coupons ever assume an inactive state. However, the Examiner maintains that Deaton discloses "assigning a status to a customer's record, and if this status is caution, negative, or especially cash only, then the medium will be inactive and unusable for redemption purposes by the customer." Examiner's Answer, p. 11. This explanation mischaracterizes the teachings of Deaton. When Deaton assigns a status to a customer's record, it is not assigning a status to "media," i.e. Deaton's coupons. Instead, Deaton describes assigning a status to the customer's credit record. This portion of the Deaton has nothing to do with the coupons that might ultimately be issued at the point of sale to a customer.

Further, the Examiner maintains that "the credit account provided by Deaton could be closed for credit reasons between the time of issuance and the time of redemption, thus effectively inactivating the media that is tied to the credit account." Examiner's Answer, p. 12, citing Deaton, col. 4, ll. 44-47. This portion of Deaton describes a check verification status. A check is assigned a NEGATIVE status if a customer has previously paid with a check that has been returned. Again, this section of Deaton has nothing to do with assigning Deaton's media, i.e. coupons, an inactive status.

Finally, the Examiner references Deaton's coupons A, B, and C to maintain that Deaton discloses coupons that are assigned an inactive status and which cannot be redeemed.

Examiner's Answer, p. 12. However, this portion of Deaton is irrelevant to Applicant's claim limitation. Rather, these portions of Deaton relate to issuing coupons A, B and C to customers based on customers' past purchasing history. Each coupon is issued as an incentive to either increase or maintain shopping consistency. Nothing in Deaton suggests that the coupons ever assume an inactive state.

In a second rejection, the Examiner asserts Applicant's claims are unpatentable based non-statutory obviousness-type double patenting over Cunningham in view of Deaton. However, the Examiner misapplies the rules regarding non-statutory obviousness-type double patenting. According to MPEP § 1504.06, "if the reference does not fully disclose the narrower claim, then a double patenting rejection should not be made." It is incumbent upon the Examiner to particularly point out how each and every limitation of the claims being considered is covered by the claims of the commonly owned patent.

In the Examiner's Answer, the Examiner maintains that the Cunningham reference discloses the "varying the value" limitation. To support this assertion, the Examiner explains that Cunningham's media includes information such as, product name, size, form and quantity. Examiner's Answer, p. 11. The Examiner argues that "this information is equivalent to value because it determines how much the product trial card is worth." Thus, the Examiner concludes that "a card could be configured to provide more or less free product than another similar card, thus essentially having a variable value..." However, Cunningham's disclosure never suggests "varying the value" of a specific trial card. Instead, each of Cunningham's trial cards has a specific value that remains fixed. Thus, Cunningham does not fully disclose the claims in the present application.

Previously, the Examiner recognized that Cunningham does not describe "varying the value" limitation. Accordingly, the Examiner chose to combine Cunningham with Deaton in an attempt to find the missing elements and limitations. As discussed above, Deaton does not disclose "varying the value" of media. Since neither Cunningham nor Deaton disclose this

required limitation, these references cannot support a non-statutory obviousness-type double patenting rejection.

Finally, the Examiner fails to set forth a proper motivation to combine Deaton and Cunningham. The Examiner must articulate an explicit reason why it would be obvious to combine these references. However, the Examiner simply maintains that "one of ordinary skill in the art would easily recognize the benefits provide by Deaton" as the motivation to combine Deaton and Cunningham. This motivation is entirely conclusory and unsupported. For example, the Examiner never describes what benefits Deaton would provide to Cunningham.

In view of the above remarks and the remarks of the previously filed Appeal Brief, the applicants submit that the pending claims stand in condition for allowance. The applicants therefore respectfully request that the Board overturn the examiner's rejections.

Respectfully submitted,

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Dated: January 16, 2008

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